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U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

INSTRUCTIONS FOR PREPARING
MONTHLY FINANCIAL AND
STATISTICAL REPORT

AND

MONTHLY TRIAL BALANCE

(FORMS ADM-29)

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Effective

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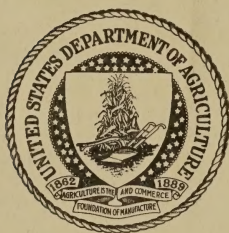
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INSTRUCTIONS FOR THE PREPARATION OF THE
MONTHLY FINANCIAL AND STATISTICAL REPORT

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PURPOSE OF MONTHLY REPORT

The former monthly report form was adopted on January 1, 1943, and has been used by REA systems for two years. On the basis of this experience, the forms have been revised in order to include information and data desirable to both the system management and REA, for the purpose of analyzing results from operations and other nonoperating activities, as well as determining the financial condition and pay-out status of the systems. Although the report is a requirement of REA, it is believed that it contains virtually all information necessary to interpret conditions and progress, and, if properly utilized, will be of great assistance to members of the Boards of Directors and the managers of the system in successfully coping with various management problems.

GENERAL INSTRUCTIONS

The Monthly Financial and Statistical Report is to be prepared at the end of each calendar month. Schedules A, B, C and a portion of Schedules E and F are prepared from the trial balance, which is also prepared at the end of each month.

The trial balance form represents an addition to the set of financial and statistical report forms, but is not an additional requirement since copies of the trial balance have been submitted with monthly reports in the past. As in the past, REA will furnish the report forms, and the trial balance forms as well.

Account numbers and not titles are included on the trial balance form. These numbers conform to the accounts prescribed by the REA Manual of Accounts, and only those accounts prescribed in this manual should be used unless authorization has been received from the Finance Division to use additional accounts.

The reference column in the Monthly Trial Balance form indicates the schedule and line number on which the account balance is to be reported on Schedules A and B. In some instances the balances of several accounts are reported on the same line. The "Balance, First of Month" columns should reflect the balances in the general ledger account as of the first of the month. These columns should agree with the columns headed "Balance, End of Month" on the preceding monthly trial balance. The changes during the month represent the net change between the balance as of the first of the month, and the balance as of the end of the month of the respective accounts.

Four copies of each sheet of the Monthly Financial and Statistical Report should be prepared at the close of each month. Three sets are to be submitted to REA and one set retained by the system. Two copies of the Monthly Trial Balance should be prepared at the close of each month; one forwarded to REA with the Monthly Financial and Statistical Report. In addition, one copy of each Wholesale Power Bill is to be submitted to REA. Letters of transmittal are unnecessary unless unusual circumstances necessitate their use.

The space on the report forms directly between the system designation and the date of the report is for indicating the name and location of the system. A rubber stamp impression is satisfactory, provided such a stamp is available.

Systems having generation and transmission facilities will receive additional instructions regarding the forms used for supplying data pertaining to such facilities.

SPECIFIC INSTRUCTIONS

A. BALANCE SHEET

1. General and Operating Funds - The amounts included under this item will represent all funds in which are deposited the receipts from operations, merchandising, and non-operating purposes. It shall include account 120.1, Cash--General, and account 122, Petty Cash.
2. Invested in U. S. Bonds - The amount to be reported under this caption shall represent the amounts invested in U. S. Government Bonds from all funds. The amounts so invested from the various funds shall be reported here but the residue of such funds should be reported under line 1 or 3.
3. Other Funds and Investments - Cash funds other than those included under items 1 and 2 shall be grouped under this caption. The cash balances in the Special Construction and Special Installation accounts shall be reported on this line. This shall also include investments, both temporary and long term, including investments in associated companies but excluding all investments in U. S. Government Bonds, which should be shown under item 2.
4. Other Current Assets - The amount under this caption shall generally include all current assets other than those included in items 1, 2 and 3 above. It shall also include all prepaid expenses, but excluding any amounts paid in advance to REA for interest or principal, (Advance payments of interest and principal are included in item 11, Net Obligation to REA.) For purposes of this balance sheet, the balances of accounts 125.4, Accounts Receivable--Special Construction, and 222.4, Accounts Payable to the Special Construction Fund, are offset as contra entries.
5. Utility Plant - The original cost of all electric plant in service, and which is distributed to the appropriate accounts of the 300 series, is to be included under this item. In addition to the balances in the 300 series of accounts, the balances in accounts 100.2, Electric Plant Leased to Others; 100.4, Electric Plant Held for Future Use; 100.5, Electric Plant Acquisition Adjustments; 103.4, Unclassified Electric Plant in Service; 144, Retirement Work in Progress; and 393, Donations in Aid of Construction--Credit, shall also be added to or deducted from this item.
6. Less Reserve - The aggregate amounts reserved for depreciation in accounts 250.3, Reserve for Depreciation of Distribution Plant, and 250.4, Reserve for Depreciation of General Plant, shall be indicated on this line so that the amount extended will represent net value of utility plant.
7. Construction Work in Progress - The balances in accounts 103.1, Construction Work in Progress--General; 103.2, Construction Work in Progress--Special Construction; and 103.3, Construction Work in Progress--Force Account, as of the end of the month are to be

included under this caption. This shall include only that which concerns the utility plant of the system and shall not include construction work in progress on consumers' premises, for which title to the finished work does not accrue to the system.

8. Other Assets and Debits - Include under this caption any asset accounts or deferred charges not properly includible above.

9. Total.

Liabilities and Other Credits

10. Current and Accrued Liabilities - The balances in accounts 220, Notes Payable; 222.1, Accounts Payable--General; 222.2, Accounts Payable--Special Construction; 222.3, Accounts Payable--Other; 227, Consumers' Deposits; 225, Matured Long-Term Debt; 226, Matured Interest; 229.1, Interest Accrued--REA Construction Obligation; 229.2, Interest Accrued--REA Installation Obligation; 229.3, Other Interest Accrued; 228, Taxes Accrued; and accounts 230.1 to 230.5, inclusive, shall be included under this caption.
11. Long-Term Obligation to REA - All amounts owed by the system to REA, including interest and principal on both construction and installation loans, except matured principal and interest and accrued interest, shall be included under this caption. In determining this amount, the following accounts should be considered: 132.3, Prepayments on Long-Term Debt--REA Construction; 135.1, Allotment Available from REA--Construction; 135.2, Allotment Available from REA--Installation; 213.1, Long-Term Debt--REA Construction; 213.2, Long-Term Debt--REA Installation; and 229.4, Interest Accrued-Deferred--REA Construction. (Interest on REA loans which is accrued between the billing date and end of the month and those amounts which become due and payable but not paid, accounts 225 and 226, should be reported on line 10.)
12. Other Liabilities and Credits - All other liabilities not provided for under items 10 and 11 shall be included hereunder. This shall also include all deferred credits, excluding all reserves representing a reduction in value of a current or fixed asset. (All valuation reserves should be considered as a reduction of the asset to which they apply, and as such, should be deducted from the appropriate captions on the asset side of the balance sheet.)
13. Memberships Issued, Subscribed - This shall include the balances of accounts 200, Memberships Issued, and 204, Memberships Subscribed but Unissued. (Memberships subscribed but not paid shall be reported here, provided there is a legal obligation on the part of the subscribers to pay in the amounts so subscribed, in which case the amount receivable should be reflected in account 127.)
14. Reserve for Amortization of Long-Term Debt - The amounts reserved for amortizing the long-term debt of the system shall be reported on this line. This should represent the amounts which are credited to account 258.

15. Contributions - The balances in accounts 265.1, Contributions in Aid of Construction, and 265.2, Consumers' Contributions for Debt Service, shall be included under this item. It shall not include any contributions for electric plant which has been constructed and the balance of which has been transferred to account 393, Donations in Aid of Construction.
16. Surplus, Capital and Earned - The balances in account 270, Capital Surplus (Donated); account 271, Earned Surplus; account 401, Miscellaneous Credits to Surplus; and account 414, Miscellaneous Debits to Surplus, shall be reported under this caption (a net debit balance should be shown in parentheses).
17. Net Income Balance (yr. to date) - The amount reported on this line shall represent the net income after reservations have been made for amortizing the long-term debt. The balance reported here should agree with the amount shown on line 18 of the Statement of Revenue and Expenses. (Debit balances should be shown in parentheses.)
18. Total.

B. STATEMENT OF REVENUE AND EXPENSES.

The Statement of Revenue and Expenses contains four columns in which may be shown actual results for four different periods. The "Year-to-Date Comparison" indicates the actual results from the beginning of the current fiscal year to the end of the current month in comparison with the actual results of operations for the same period in the preceding year. The Monthly Comparison indicates actual results for the current month, and for comparison purposes, the results of the same month in the preceding year are included. Therefore, the amounts placed in the "Year-to-Date Comparison" column will reflect the changes in the various revenue and expense accounts as of the end of the current month.

In order to determine the proper amounts placed in the current month column of the "Monthly Comparison," the balances in the respective nominal accounts as of the beginning of the current month, subtracted from the balances as of the end of the current month, represent the net change during the month, and such changes should be recorded on the appropriate line in the monthly comparison "This Year" column. The actual results for the respective periods of the preceding year may be obtained from the prior year's operating reports. (Losses should be shown in parentheses.)

Inasmuch as instructions covering the amounts to be entered in these respective columns will apply differently to each heading, these instructions will merely indicate the accounts involved in order to obtain the correct data.

1. Operating Revenues - The balances in accounts 600 to 615, inclusive, should be included on this line. This represents revenue from energy sales and miscellaneous electric revenues,

but excludes income from merchandising sales and other income of a nonoperating nature.

2. Operating Expense (Line 33) - The amounts to be recorded on this line represent the total expenses as indicated in lines 19 to 32, inclusive, the total of which is carried on line 33.
3. Depreciation - The amounts charged against revenue as depreciation are indicated by the balances in accounts 503.3, Depreciation of Distribution Plant, and 503.4, Depreciation of General Plant. This will not include depreciation on transportation equipment, the amounts of which are charged to account 903, Transportation Expense--Clearing, and which are distributed from this account to other operating or nonoperating expense accounts.
4. Amortization of Intangibles, Adjustments, etc. - This term is not used in the sense that the long-term debt to REA is being reduced by payments. This line is for recording the periodic extinguishment of intangible assets including debt discounts and expenses and also electric plant acquisition adjustments. Ordinarily the balances in accounts 504, Amortization of Limited-Term Electric Investments; 505, Amortization of Electric Plant Acquisition Adjustments; 506, Property Losses Chargeable to Operations; and 531, Amortization of Debt Discount and Expenses, are reported on this line.
5. Taxes - Amounts placed under this caption shall be the balances of all tax expenses charged to accounts 507.1 to 507.7, inclusive.
6. Total Operating Revenue Deductions - The amounts on lines 2 to 5, inclusive, are totaled and recorded on this line.
7. Net Operating Revenues - The differences between lines 1 and 6 are recorded on this line. (Net losses should be indicated in parentheses.)
8. Net Income from Merchandising Sales - This shall include the net revenue (or loss) from merchandising activities. The difference between accounts 520.1, Revenue from Merchandising Sales, and 520.2, Merchandising Revenue Deductions, will represent the results of this activity.
9. Net Nonoperating Income - The net revenue (or loss) resulting from any transactions other than operating or merchandising shall be reported on this line.
10. Total Other Income - The amounts recorded on lines 8 and 9 shall be totaled and recorded on this line.
11. Gross Income - The amounts recorded on lines 7 and 10 should be totaled and recorded on this line.

12. Interest on Long-Term Debt - Interest expense incurred during the month on the REA construction loan obligations and which is chargeable to account 530.1, Interest on REA Construction Loan, shall be reported on this line.
13. Interest Charged to Construction--Credit - Any amounts of interest on long-term debt which are charged to construction and credited to account 536, Interest Charged to Construction--Credit, during the month should be recorded on this line.
14. Miscellaneous Income Deductions - Any income deductions not provided for above, exclusive of miscellaneous operating expenses, should be recorded on this line.
15. Total Income Deductions - The sum of lines 12, 13, and 14 is recorded on this line.
16. Net Income (Before Reservations) - The amounts recorded on line 11 less the amounts on line 15 should be recorded on this line. Losses should be indicated in parentheses.
17. Miscellaneous Reservations of Net Income - Any income which is reserved for some specific purpose and which is charged to account 540, Miscellaneous Reservations of Net Income, should be recorded on this line.
18. Net Income Balance (After Reservations) - Record the differences between line 16 and line 17 on this line. The amount under the year-to-date column should agree with the total carried forward to line 17 of the balance sheet.
19. Production and Transmission Expenses - All costs and expenses incurred in producing and transmitting electrical energy to the points where it reaches the distribution system, shall be entered on this line. This shall include all expenses charged to the 700, 710, 720, 730 and 740 series, but excluding account 738, Purchased Power, taxes, insurance, interest, depreciation, etc., applying to generation and transmission plant.
20. Cost of Purchased Power - This shall include the amounts charged to account 738, Purchased Power.
21. Distribution Expenses--Operations - This shall include account balances in accounts 756 through 763, inclusive.
22. Distribution Expenses --Maintenance - The account balances in accounts 764 to 775, inclusive, shall be entered on this line.
23. Distribution Expenses --Miscellaneous - All other accounts in which are charged miscellaneous distribution expenses and which are not includible under lines 20 and 21 shall be recorded herein.

24. Consumers' Accounting and Collecting - All costs and expenses which the system incurs in accomplishing this phase of their business shall be charged to this account, excluding, however, any pro-rations of legal services when such services are obtained under retainer. This shall include the account balances in accounts 780 to 784, inclusive.
25. Utilization - The costs and expenses of the system incurred for purposes of utilization as defined by the REA Manual of Accounts under account 787, Utilization, shall be included on this line. (This shall not include any sales promotion expenses, such as revenues from merchandising, job or contract work, and which are charged to account 520.2, Merchandising Revenue Deductions.)
26. General Office Salaries and Expenses - Salaries paid to employees of the system, which are chargeable to account 791, General Office Salaries, and also all expenses, costs of supplies, and travel expenses, which are chargeable to account 793, General Office Expenses, should be entered on this line.
27. Special Services - The amounts chargeable to account 795, Special Services, which include fees for legal, auditing and engineering services (which are not capitalized), are entered under this caption.
28. Insurance, Injuries and Damages - This item represents all insurance costs charged to account 798, Insurance, and also all costs or expenses incurred resulting from injuries or damages to persons or property and which become bona fide expenses of the system, including amounts paid for insurance and charged to account 799, Injuries and Damages, as protection against losses of this nature, but excluding Public Liability and Property Damage insurance on system-owned transportation equipment.
29. Directors' Fees and Mileage - All fees and mileage paid to directors, regardless of the purpose, but excluding those fees which are capitalized, are charged to account 801.1, Directors Fees and Mileage, and reported on this line.
30. Dues Paid to Associated Organizations - Enter on this line the amounts charged to account 801.2, Dues Paid to Associated Organizations.
31. Donations to Institutions - Contributions or donations for any purpose which are chargeable to account 801.3, Donations, are shown on this line.
32. Other Miscellaneous Expenses - Expenses not provided for in any of the preceding items shall be included on this line.
33. Total Operating Expenses - The amounts on this line shall equal the total of the amounts recorded on lines 18 to 32, inclusive. The totals on this line shall be forwarded to line 2.

C. PAY-OUT STATUS COMPARISON

The Pay-Out Status Comparison is included in the report for the purpose of indicating the amount of net income after all bona fide obligations have been taken up in the accounts, but excluding non-cash items, such as depreciation of plant and amortization of intangibles and adjustments. The purpose of the comparison is to determine the ability of the system to meet its long-term obligation to REA after all other obligations have been properly accrued or paid.

1. Income Before Interest, Depreciation & Amortization - On this line shall be recorded the amounts shown on line 16 plus the amounts on lines 3 and 4, respectively, of the Statement of Revenue and Expenses.
2. Principal Due and Payable - All amounts of principal on construction notes which have become due and payable during the month, and which should have been paid, should be reported on this line. (This represents the amounts placed in column 11 of the "Statement of Principal and/or Interest Payable," the monthly statement received from REA.)
3. Current Interest Due and Payable - Current interest which is payable during the month and which should have been paid, should be reported on this line. (This represents the amount which appears in column 10 of the "Statement of Principal and/or Interest Payable.")
4. Deferred Interest Due and Payable - All amounts of interest on construction notes which become due and payable during the month, OTHER THAN CURRENT INTEREST, should be reported on this line. This is intended to be all interest on construction notes which by the terms of the Mortgage Note or subsequent extension agreements has been previously deferred and has now become due and payable during the current month. (Column 8 of the "Statement of Principal and/or Interest Payable.")
5. Total Obligation Due and Payable - Matured Obligation (lines 2, 3 and 4) due and payable to REA should be shown on this line.
6. Balance (Lines 1 - 5) - These amounts represent the amount of revenue remaining after all obligations have been accounted for and taken up on the books of account.

D. MONTHLY ENERGY SALES AND OTHER STATISTICS

This section contains four different subsidiary schedules; namely Energy Sales, Load Building Summary, Membership Summary, and Other Operating Statistics. It should be understood that information included in these various summaries pertains only to the current month, or to a condition which exists as of the end of the current month.

Energy Sales

Consumers Billed - Insert on the appropriate line the number of consumers billed during the month for each respective class of energy sales.

KWH Sold - Insert on the appropriate line in this column the number of kilowatt hours sold by classes. Total should agree with amount on line 26.

Average KWH - The kilowatt hours sold divided by the number of consumers billed for each appropriate class should be shown in this column.

Minimum Bills - Reflect in this column the number of consumers in each class who are billed for the minimum and the percentage of such consumers in relation to the total number of consumers billed in each particular class.

Amount Billed - The dollar value of billings should be reflected in this column.

Average Bills - The amount billed divided by the number of consumers billed of each class should be reported under this heading.

1. Farm - Statistics reported on this line shall pertain to the consumers' accounts the revenue of which is credited to account 601.1, Rural Sales--Farm.
2. Non-Farm Residential - The data reflected on this line shall pertain to consumers' accounts, the revenue of which is reflected in accounts 600, Residential Sales, and 601.2, Rural Sales--Non-Farm.
3. Commercial and Small Power - Statistics reported on this line shall concern small commercial, small industrial consumers, schools, churches, and other community institutions, the revenue of which is reflected in account 602.1, Commercial and Industrial--Small.
4. Large Power - Statistics reported on this line shall concern large power users who require in excess of 25 KVA transformer capacity, and who are being billed under a schedule for large power service. Revenue from these sales should be reflected in account 602.2, Commercial and Industrial--Large.
5. Other - Statistics reported on this line shall concern all other consumers not classified in lines 1 through 7, inclusive.
6. The Extra Space - This space is for reporting unusual loads which have an important bearing on the feasibility of your operations, such as, sales to irrigation consumers, extremely large loads and any other special items of this nature which would distort other classifications listed in categories 1 to 7, inclusive. Any items included in this space should be identified

and not reported in any other line.

7. Sales to Other REA Systems - The statistical information reported on this line should pertain only to accounts with other REA systems for electrical energy which is sold wholesale to such systems. The revenue from these sales should be reflected in account 606, Sales to REA Systems.

Load Building Summary

8. New Services Connected - The number of new services connected during the month should be reflected on this line.
9. Services Disconnected - All services disconnected during the month, with the exception of services disconnected for non-payment of energy bills, should be shown on this line.
10. Services Reconnected - The number of services reconnected during the month, with the exception of those services which were reconnected after payment of delinquent energy bills, should be shown on this line.
11. Net Increases or Decreases - Lines 8 plus 10 minus 9 should be reported on this line. Decreases should be reported in parentheses.
12. Potential Consumers (1000') - Report on this line the number of potential consumers who are located within 1000 feet of the system's distribution lines.
13. Services Run Not Connected - Report on this line the number of services which have been constructed but which, for various reasons, are not connected.
14. Services Under Construction - Services now in the process of construction or for which construction has been temporarily suspended should be reported on this line.
15. Services Proposed - Report on this line the number of services for which construction is contemplated and for which approval has been received by the proper officials of the cooperative.

Membership Summary

16. Members Receiving Service - Report on this line the number of members who were receiving service during the month or who were obliged to pay the monthly minimum bill regardless of service consumption. For purposes of definition, a member shall be deemed to be one who has either paid in the membership fee and received a certificate of membership therefor, or who has subscribed for a membership and has been duly accepted for membership by the Board of Directors of the system.
17. Members Not Receiving Service - Report on this line the number of members who have been duly approved for membership in the

cooperative and who were not receiving service during the month. (This shall not include members connected but not taking service.)

18. Total Paid Membership Fees - The amount reported on this line shall equal the amounts received from members representing payments on their subscriptions for membership, less refunds to any members who have withdrawn their membership. Do not report on this line amounts of membership fees representing memberships paid in but which have been reapplied as payments of energy or other accounts owing to the system.
19. Non-Members Receiving Service - Record on this line the number of consumers of electrical energy other than those who have been duly approved as members of the cooperative.
20. Revenue From Non-Members - Reflect on this line the gross revenue from non-member consumers during the current month.

Other Operating Statistics

21. KWH Purchased - The total KWH purchased during the month should be shown on this line. (If the meter reading dates vary from the end of the month, such dates should be so stated.)
22. KWH Generated - The total Net KWH generated during the month should be shown on this line. (If the meter reading dates vary from the end of the month, such dates should be so stated.) This figure should be taken from the "Generating Plant Monthly Report," Form ADM 39E.
23. Total - Indicate on this line the total number of KWH purchased and generated during the month.
24. Total KWH Sold - The total number of KWH arrived at by adding lines 1 to 7 inclusive in block D - "Monthly Energy Sales and Other Statistics."
25. KWH Unaccounted For - The difference between lines 23 and 24 should be stated on this line.
26. Percentage KWH Unaccounted For - The amount as shown on line 25 divided by the amount as shown on line 23 represents the percentage of unaccounted-for KWH.
27. Net Bill Purchased Power - All amounts for which the cooperative paid or is obligated to pay to others for power purchased should be reported on this line. (Net Bill should not be misinterpreted as deducting from the cost of purchased power any reductions or credits for extraneous purposes. It represents the net cost of purchased power after credit has been received for discounts.)
28. Net Cost Generated Power - Net cost generated power transferred from the "Generating Plant Monthly Report" ADM 39E Line 32X that is to be attached to this report by systems operating generating plants.

29. Other Power Costs - Any expenses incurred by the system for rentals or transmission expenses to the point where it enters the distribution system should be considered other power costs.
30. Cost Per KWH Purchased - Line 27 divided by line 21 equals the cost per KWH purchased.
31. Cost Per KWH Generated - Line 28 divided by line 22 equals the cost per KWH generated.
32. Cost Per KWH Sold (Delivered) - The power costs as disclosed by lines 27, 28 and 29 should be totaled and divided by the number of KWH sold as indicated by line 24 in order to arrive at the cost per KWH sold.
33. Connected Consumers - Report on this line the total number of consumers who are connected without regard to whether they are receiving power or not.
34. Miles Energized - This line should reflect the number of pole miles of line energized (including primary, secondary and services) in service as of the end of the current month.
35. Operating Revenue Per Mile - Line 1, Gross Operating Revenue, of Schedule B, Statement of Revenue and Expense, divided by the number of miles energized as indicated on line 34, represents the operating revenue per mile.
36. Operating Expense Per Mile - Line 2, Total Operating Expenses, less line 20, Cost of Purchased Power, of Schedule B, Statement of Revenue and Expense, divided by the number of miles energized as indicated by line 34, represents the operating expense per mile.
37. Density Per Mile - Line 33, Connected Consumers, divided by line 34, Miles Energized, represents the density per mile.
38. Months of Operation - The number of months the system has been in operation should be shown on this line. For purposes of definition, a system shall be considered as being placed in operation on the date when the first project or a major portion thereof has been energized.

E. DELINQUENT ACCOUNTS AND NOTES RECEIVABLE

This schedule is to be used to indicate the delinquent accounts and notes receivable, as well as their respective reserves which are established to provide for possible losses resulting from uncollectible accounts and notes.

- 1-5 Number of Days Delinquent - These lines are self-explanatory. In aging accounts, reference should be made to operations Memorandum No. 5.5 and subsequent revisions.

6. Disconnected - This pertains only to the energy accounts in the first column. It applies to those consumers' accounts which have not been written off to the reserve and which are included on lines 1, 2, 3 and 4.
7. Balance First of Month - The balances as of the beginning of the month of accounts 254.1, Reserve for Uncollectible Notes Receivable, and 254.2, Reserve for Uncollectible Accounts--Electric Consumers, should be indicated on this line in the proper column.
8. Write-Offs Collected - Amounts collected during the month on accounts or notes which had been written off prior to the first of the current month should be included on this line.
9. Added Provision - Include on this line the amounts credited to the reserve during the month other than those amounts representing write-offs collected.
10. Sub-Total - Lines 7, 8 and 9 should be totaled and recorded on this line.
11. Write-Offs This Month - Include on this line in the appropriate columns the total amount of accounts and notes written off during the month for which approval has been received from the Cooperatives' Operations Division in the case of accounts, and approval of the Finance Division in the case of notes receivable.
12. Balance End of Month - Line 10 minus line 11 represents the respective balances of accounts 254.1 and 254.2, as of the end of the month.

F. REA LOAN FUND TRANSACTIONS

This schedule is intended to disclose all amounts respecting allotments, advances, obligations of the system to REA, delinquencies in matured obligation, and the status of accounting for REA Loan Fund Expenditures. It concerns both construction and installation loans. Unless otherwise designated, the following explanations shall concern both construction and installation loans:

Allotments, Advances and REA Obligations

1. Total Allotments to System - On this line shall be reported the total construction and installation allotments to the system less subsequent rescissions. It shall include the total of all allotments (less rescissions) without regard to whether or not such allotments are covered by mortgage notes.
2. Less Unadvanced Funds - The amounts recorded on this line shall be the unadvanced portions in the construction and installation allotments. These should be in agreement with the balances in accounts 135.1, Allotment Available From REA--Construction, and 135.2, Allotment Available From REA--Installation.

3. Total REA Advances - The amounts entered on this line shall equal the total amounts advanced to the system by REA (line 1 minus line 2).
4. Accumulated Deferred Interest Not Due - This line shall apply only to interest on construction notes which has been deferred by the terms of the note and which is not yet matured.
5. Matured and Current Interest (Unpaid) - Matured interest which is due and payable on account of the obligation to REA shall be entered on this line provided it has not been paid. (These amounts shall agree with the amounts entered on line 10.)
6. Gross Obligation to REA - This shall represent the totals of the amounts on lines 3, 4 and 5.
7. Payments Applied Against Principal - Payments made to REA for application against the obligation should be entered on this line.
8. Payments Establishing Cushion of Credit - Amounts paid to REA in advance of the due date on the principal obligation (commonly referred to as Cushion-of-Credit) should be entered on this line. This amount should agree with the balance in account 132.3, Prepayments on Long-Term Debt. This does not apply to Installation Loans.
9. Net Obligation to REA - Lines 6, 7 and 8 should be totaled and carried on this line.

Delinquency Status

10. Matured and Current Interest (Unpaid) - The amounts entered on this line should agree with the account balance in 226, Matured Interest.
11. Matured Principal (Unpaid) - All principal due and payable on account of the system's obligation to REA which remains unpaid as of the end of the month should be included on this line. This should be in agreement with the amount in account 225, Matured Long-Term Debt.
12. Total Matured Obligation - Lines 10 and 11 equal line 12.

Loan Funds Accounting

13. Total Advances - The amounts entered on this line should agree with line 3 above which represents the total advances made for construction and installation purposes. (The amount in the "Construction" column should equal the total of column 4 and column 7 of the last approved FI-121A.)
14. Approved Expenditures - The amounts shown on this line should equal the dollar value of expenditures for which receipted invoices have been forwarded to REA Finance Division and approval received therefor. (The amount in the "Construction" column

should be in agreement with the totals of column 2 and column 4 of the last approved FI-121B.)

15. Cash--Unexpended Loan Advances - These amounts represent the balances of cash in account 120.2, Cash--REA Construction Fund--Trustee, and account 120.3, Cash--REA Installation Loan Fund, respectively.
16. Expenditures Not Yet Approved by REA - Disbursements from the Construction and Installation Loan Funds which have been made and for which receipted invoices have not been approved by REA Finance Division should be recorded on this line. (This should equal the total of lines 17, 18 and 19.)
17. Expenditures This Month - Expenditures of REA Construction and Installation Loan Funds during the current month should be recorded on this line.
18. Expenditures Last Month - Expenditures during the preceding month made from REA Construction and Installation Loan Funds should be recorded on this line.
19. Expenditures Over Sixty Days - All expenditures of Loan Funds prior to the preceding month should be recorded on this line.

NOTE: Lines 17, 18 and 19 are to include only those expenditures for which receipted invoices have not been approved by the REA Finance Division.

20. Expenditure Reports in Process - The dollar value of receipted invoices which have been submitted to REA with a current expenditure report and for which approval has not yet been received should be recorded on this line. (The total in column 4 of Form FI-121B, Submitted to REA, should be the amount reported under the "Construction" column.)

NOTE: The expenditures by months, as indicated by lines 17, 18 and 19, should be reported notwithstanding the fact that an expenditure report may have been submitted to REA and, as such, recorded on line 20.

G. PERPETUAL INVENTORIES

This tabulation will constitute a continuing record disclosing the status of material accounting by the system. It applies to material and supplies, the various transactions of which are recorded in account 131.1, Materials and Supplies--Electric, as well as the transactions pertaining to materials, appliances and equipment as required by the system for miscellaneous sales or merchandising activities. Merchandise in the possession of the system received on consignment should not be included in this schedule.

No provision has been made for adjusting the materials inventories for the disposition of materials other than those used for

maintenance, operation, construction or sales. Therefore, materials lost or broken should be included as a cost to the appropriate purpose listed; if practicable, or included in the total withdrawn line with an explanation for so adjusting the inventories.

(Dollar marks are printed only where figures are to be inserted.)

1. Inventory-First of Month - The balances in accounts 131.1, Materials and Supplies--Electric, and 131.2, Materials and Supplies--Resale, as of the beginning of the month, should be recorded on this line.
2. Used for Maintenance
3. Used for Operations
4. Used for Construction - Value of materials withdrawn from stock and used for these various purposes.
5. Sold During Month - The cost to the system for materials, supplies, merchandise and appliances sold during the month (other than those received on consignment) shall be recorded on this line.
6. Total Withdrawn From Stock - Lines 2, 3, 4 and 5 are totaled to equal line 6.
7. Purchased and Received in Stock - The costs of all materials, supplies, appliances and merchandise which were purchased by the system and received during the month should be recorded on this line.
8. Salvaged During Month - The value of usable materials salvaged during the month and returned to stock should be recorded on this line.
9. Additions to Stock for Month - Lines 7 and 8 are added to equal line 9.
10. Net Increase (or Decrease) - The difference between line 6 and line 9 is the amount recorded on this line.
11. Inventory, End of Month - Line 1 plus (or minus) line 10 equals the inventory at the end of the current month. This should be in agreement with the balances in accounts 131.1, Materials and Supplies--Electric, and 131.2, Materials and Supplies--Resale, as of the end of the month.

H. PAYROLL AND TRAVEL ALLOWANCES

The total number of employees and the amounts paid to such employees during the month are to be recorded in this section of the report. It is believed that this section is self-explanatory. It should be pointed out, however, that line 5, Travel Allowances During Month, pertains to travel of employees using facilities other than system-owned vehicles. Generally, this will include allowances

for travel on a monthly, mileage or other basis for travel expenses. This should not include any allowances for mileage of members of the Board of Directors. The total payroll and travel for the month, as indicated on line 6, should equal the total amounts distributed to the various accounts during the month which are shown in the columns on the right hand side of the page. The space provided for remarks may be used to indicate changes in positions or personnel during the month, or other pertinent data which may be desirable to report as a matter of record.

I. ANALYSES OF TRANSPORTATION EXPENSES

Transportation expenses on system-owned vehicles which are incurred and properly chargeable to the various expense and construction accounts should be included in this schedule. Subsidiary records should be maintained for each individual vehicle indicating the miles traveled, the various purposes for which the travel was required, and the expenses (including depreciation) applicable to each vehicle. This subsidiary record will provide the basis for the distribution to the various accounts. The column captioned "Account Distribution" represents the amounts distributed to the various expense and construction accounts from account 903, Transportation Expense--Clearing, at the end of the month. Line 1, number of system owned vehicles, shall include the number of trucks and passenger automobiles only and will not include trailers or wagons. The space provided for remarks may be used to indicate purchases or sales of equipment made during the month, or other pertinent data which may be reported.

J. SUBSTATION DATA

The substation data section is self-explanatory. However, attention is called to the third column headed "KW or KVA Demand." It will be necessary to strike out the type of demand which does not apply or to indicate after each substation whether the substations are rated in KW or KVA. Substation demand should be shown as actual demand reading and not as billing demand.

K. MEETINGS AND ACCIDENTS

Report in this section the number of accidents to system employees resulting in the loss of time or those reported to your insurance carrier, and accidents to the public involving system property. A regular report should be made to the insurance carrier on all accidents involving system employees or property and detailed reports with sketches or pictures forwarded to REA. If no accident occurred during the month, simply write in the word "None."

